

ANNUAL REPORT  
KANSAS EXPLORATIONS, INCORPORATED  
1942

40121197



Superfund

010844

Joplin, Missouri  
March 11, 1943

Mr. Andrew Fletcher  
Vice President & Treasurer  
Kansas Explorations, Inc.  
250 Park Avenue  
New York, N. Y.

Dear Mr. Fletcher:

I transmit herewith Annual Report of The Kansas  
Explorations, Incorporated, for the year, 1942.

Respectfully submitted,

Rosa Blate,

ANNUAL REPORT  
OF  
KANSAS EXPLORATIONS, INCORPORATED  
JOPLIN, MISSOURI  
1942

# C O N T E N T S

## 1942 ANNUAL REPORT

SUMMARY	Pages
1942	1
List of Leases as at 12/31/42	2 - 3
JARRETT UNIT	
1942	4
RITZ UNIT	
Map of Ore Reserves	5
1942	6 - 7 - 8
1943 (Recommendations)	9
SNAPP UNIT	
Map of Ore Reserves	10
1942	11 - 12 - 13 - 14 - 15
1943 ( Recommendations)	16
Buckingham Area	17 - 18
JASPER UNIT	
Map of Ore Reserves	19
1942	20 - 21 - 22 - 23 - 24
Tailings Lease	25
1943 ( Recommendations)	26
LOTSON UNIT	
Map of Ore Reserves	27
1942	28
DARDETNE UNIT	
1942	29
EMPLOYER'S LIABILITY	
1942	30
LEGAL	
Law Suits	31
GENERAL	
Expenditures Classified	32
Accounts Receivable	33
Current Liabilities	33
Miscellaneous Income	34

ANNUAL REPORT  
of  
KANSAS EXPLORATIONS, INCORPORATED  
for  
1942

The operations of the Kansas Explorations, Inc. were carried on continuously at the Ritz and Snapp units throughout the Year. The Jasper unit, located West of Joplin, Missouri, was placed in operation September 17, 1942, and operated continuously the balance of the year.

The base price paid for 60% zinc concentrates remained at \$55.28 per dry ton throughout the year. The district price per dry ton of 80% lead concentrates was \$68.64 per dry ton from January 1, to January 17, and was increased to \$76.75 January 17th and this price continued until March 28th, when it was decreased to \$76.54, on account of an increase in smelting costs by the Eagle-Picher Mining & Smelting Co., and remained at this price during the balance of the year.

## LIST OF LEASES AS AT DECEMBER 31, 1942

## -- OPERATING UNITS --

Number	Name	Acres	State	Land-Owner Royalty
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RITZ UNIT

921	Ritz	60	Oklahoma	12 $\frac{1}{2}$ %
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LOTSON UNIT

1007	Lotson	80	Oklahoma	12 $\frac{1}{2}$ %
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DARDENNE UNIT

974 $\frac{1}{2}$		40	Oklahoma	5%* - 7 $\frac{1}{2}$ %
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\* - 5% on Tailings and 7 $\frac{1}{2}$ % on underground ores.

JASPER UNIT

	Jasper	270	Missouri	1 %
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SNAPP UNIT

971	Snapp	40	Missouri	0
974	Gunning	280	Missouri	7 $\frac{1}{2}$ %
977	Buckingham	140	Missouri	7 $\frac{1}{2}$ %

SNAPP UNIT

## -- PROPOSED UNITS --

975	Gunning	160	Missouri	7 $\frac{1}{2}$ %
976	Buckingham	107	Missouri	7 $\frac{1}{2}$ %
978	Poundstone	80	Missouri	7 $\frac{1}{2}$ %
979	Cushman	80	Missouri	7 $\frac{1}{2}$ %
980	McReynolds	80	Missouri	7 $\frac{1}{2}$ %
981	Ragland	40	Missouri	7 $\frac{1}{2}$ %
982	Stevison	120	Missouri	7 $\frac{1}{2}$ %
983	Olson	40	Missouri	7 $\frac{1}{2}$ %
984	Poundstone	76 $\frac{1}{2}$	Missouri	7 $\frac{1}{2}$ %
985	Poundstone	80	Missouri	7 $\frac{1}{2}$ %
986	Kutz	100	Missouri	7 $\frac{1}{2}$ %
987	Kutz	80	Missouri	7 $\frac{1}{2}$ %
988	White	50	Missouri	7 $\frac{1}{2}$ %
989	Norton	60	Missouri	7 $\frac{1}{2}$ %
990	Whitfield	100	Missouri	7 $\frac{1}{2}$ %
991	Whitfield	120	Missouri	7 $\frac{1}{2}$ %
992	Weaver	60	Missouri	7 $\frac{1}{2}$ %
993	Buckingham	60	Missouri	7 $\frac{1}{2}$ %
994	Buckingham	100	Missouri	7 $\frac{1}{2}$ %
995	Gibson	160	Missouri	7 $\frac{1}{2}$ %

996	Gibson	152	Missouri	7 $\frac{1}{2}$ %
997	Burk	80	Missouri	7 $\frac{1}{2}$ %
998	Wolff	100	Missouri	7 $\frac{1}{2}$ %
999	McWaters	80	Missouri	7 $\frac{1}{2}$ %
1000	Boyd	72 $\frac{1}{2}$	Missouri	7 $\frac{1}{2}$ %
1001	Gibson	120	Missouri	7 $\frac{1}{2}$ %

Acquired in 1942:

1002	Robinson	10	Missouri	7 $\frac{1}{2}$ %
1003	Berkey	60	Missouri	7 $\frac{1}{2}$ %
1004	Dix	40	Missouri	7 $\frac{1}{2}$ %
1005	Weaver	80	Missouri	7 $\frac{1}{2}$ %
1006	Carter	<u>175</u>	Missouri	7 $\frac{1}{2}$ %

Total Acreage	2723
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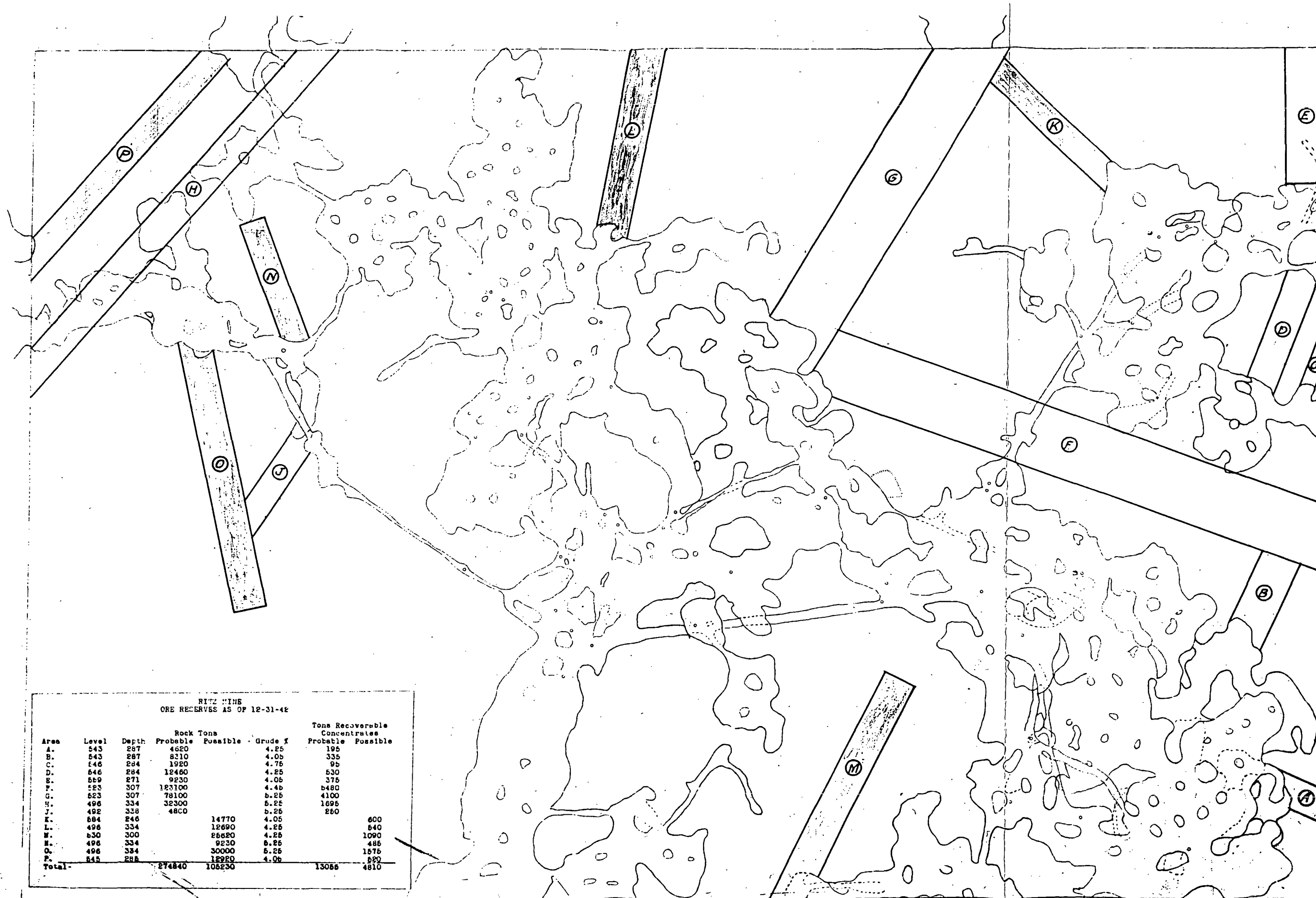
JARRETT            UNIT  
1 9 4 2

There were no operations on this tract during the year 1942. During the Spring we began dismantling this unit and moving it to the Jasper Tract, two miles West of the city limits of Joplin, Missouri where the buildings and equipment were used in the erection of the Jasper Plant. The dismantling and moving of this equipment was completed in August, 1942. The Jarrett Lease was surrendered during the early part of 1942.



RITZ            UNIT

The Ritz Lease is located in Ottawa County, Oklahoma--  
contains 60 acres--and is operated under a  $12\frac{1}{2}\%$  royalty lease  
from the Indian Department.



RITZ            UNIT  
1942

The Ritz Unit was operated continuously throughout the year 1942. During the operating period, the mine operated two 8-hour shifts per day, and the 30-ton per hour concentrating plant operated 24 hours per day. All ore treated was mined underground and was hoisted at the mill shaft; ore being delivered to the shaft in the mine by two three and one-half ton storage battery locomotives and a rope haulage system.

----oOo----

At the Ritz Unit, during 1942, a total rock tonnage of 199,111 tons was hoisted, and a total of 198,460 tons of mine rock was treated in the concentrating plant. From the tonnage treated, 8,381.415 tons of zinc concentrates, and 955.880 tons of lead concentrates were recovered. The entire tonnage of rock treated during 1942 yielded a recovery of 4.22% in the form of zinc concentrates and .48% in the form of lead concentrates or a total zinc and lead concentrate recovery of 4.70%. During the operating period, 34,323 man shifts were employed in operations; each man shift averaging a production of 5.8 rock tons or the equivalent of .27 tons of zinc and lead concentrates. The total average operating cost was \$2.23 for each ton of rock or \$47.58 for each ton of zinc and lead concentrates recovered.

Beginning February 1, 1942 the Ritz property operated under the Over-Quota Production Premium Plan as established

by the War Production Board, at which time a premium of \$28.05 was paid per ton of 60% zinc sulphide concentrates produced in excess of 691 tons per month and premium of \$39.60 per ton for 80% lead concentrates produced in excess of 17 tons per month, with an adjustment of five cents (5¢) for each change of one tenth of one per cent (.1%) in grade above or below 60% in grade, as to zinc sulphide concentrates, and above or below 80%, as to lead concentrates.

June 1, 1942 the Quota was revised, whereby premium would be paid on all 60% sulphide zinc concentrates, produced in excess of 490 tons per month and all 80% lead concentrates produced in excess of 17 tons per month. Later another revision was made retroactive to October 1, 1942, and the production of both zinc concentrates and lead concentrates was placed on Zero Quota, and this Quota remained in effect for the balance of the year.

On December 1, 1942 the premium price for Over-Quota Production was increased from \$28.05 per ton of 60% zinc sulphide concentrates to \$29.70 per ton, and the premium price of 80% lead concentrates was increased from \$39.60 per ton to \$41.80 per ton.

On December 31, 1941 the Ritz Unit had no concentrates in bins. On December 31, 1942 the Ritz Unit had no concentrates in bins. During the year 1942, 8,381.415 tons of zinc concentrates and 955.880 tons of lead concentrates were sold and loaded. An average gross price per ton (2000 Pounds) of \$55.61 for zinc concentrates and \$65.97 for lead concentrates was obtained, or an average of \$56.67 per ton. Premiums for

Over-Quota Production for the year 1942 averaged \$9.70 per ton of zinc concentrates and \$24.02 per ton of lead concentrates or an average of \$11.17 per ton. The average gross amount received per ton of concentrates including Premiums for Over-Quota Production was \$67.84. The average royalty paid on zinc and lead concentrates sold and loaded was \$8.48 per ton, royalty being paid on amounts received for Over-Quota Concentrate Production.

During the year, \$8,939.11 was spent for operating development and churn drilling. This was an expenditure of \$0.045 for each ton of rock mined and \$ .96 for each ton of concentrates recovered; 689 feet of churn drilling and 520 feet of underground development was completed during the year. At the beginning of the year, the probable ore reserve was 21,500 tons of zinc and lead concentrates. At the close of the year, the probable ore reserve was 13,055 tons of zinc and lead concentrates and 4,810 tons of possible zinc and lead concentrates. During the year, 9,337.295 tons of zinc and lead concentrates was produced.

During 1942, at the Ritz Unit, the operating expenditure for labor and liability insurance was \$287,992.17; for all items other than labor was \$156,225.74; or a total of \$444,217.91. The total operating mine profit for the year 1942, at the Ritz Unit, was \$110,036.87, based on actual sales of concentrates sold and loaded during the year. Miscellaneous other income for the year \$1,662.65.

RITZ UNIT

1 9 4 2

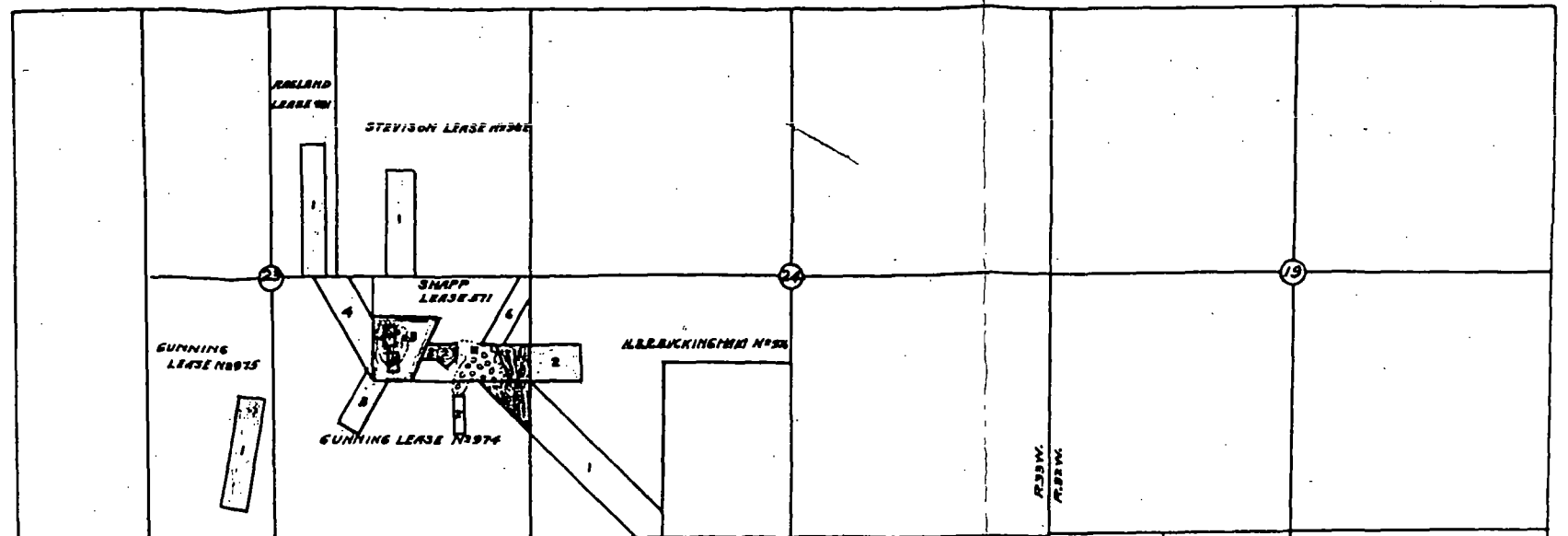
RECOMMENDATIONS FOR 1943

It is recommended that a revision of the Ritz Quota be secured to enable development and the mining of the low grade ores indicated in our ore reserve.

SNAPP

UNIT

The Snapp Tract is located in Jasper County, 10 miles North of Joplin, Missouri--is owned in fee by the Kansas Explorations, Incorporated --contains approximately 40 acres.

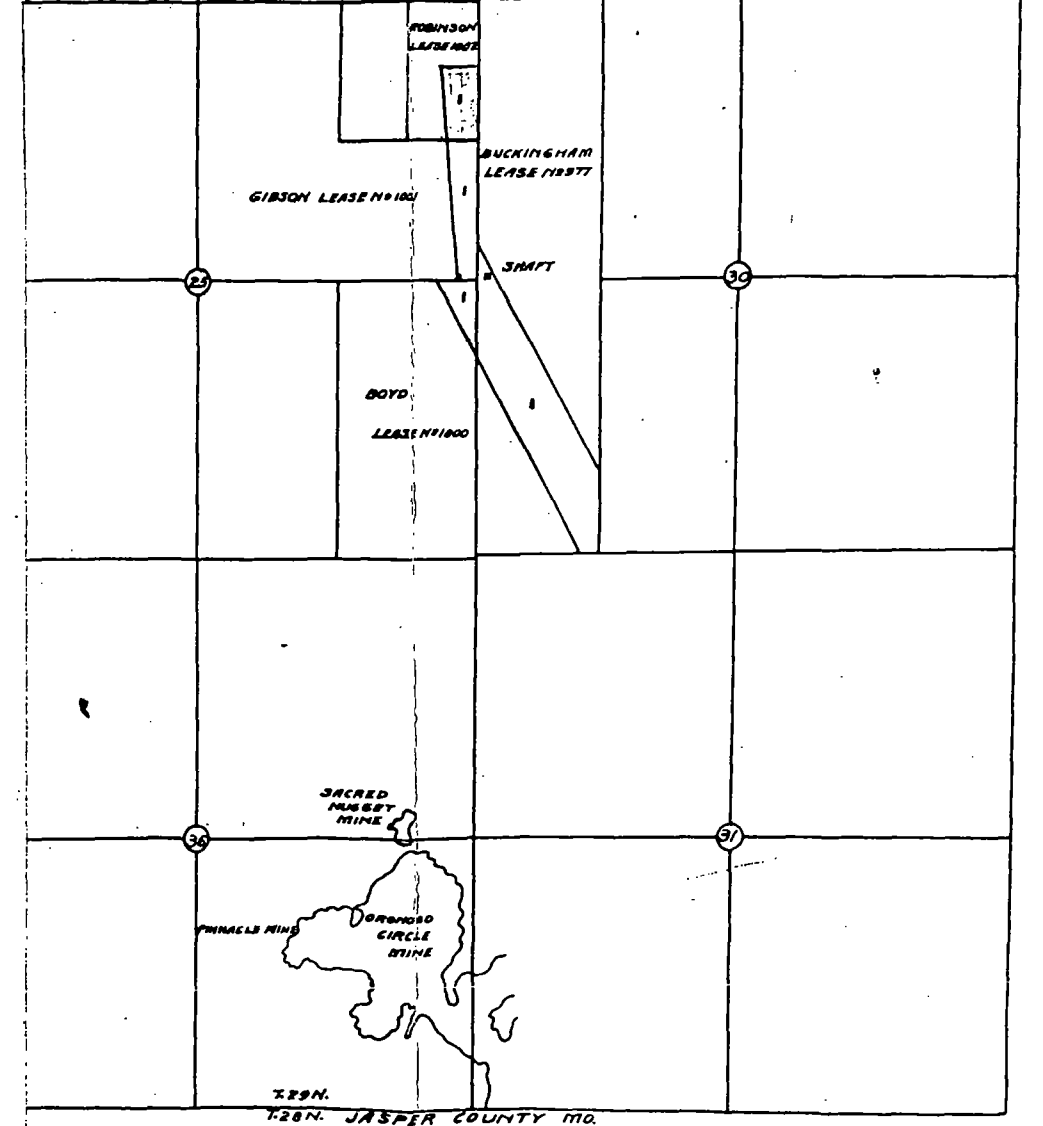


**ORE RESERVES - SNAPP AREA**  
 Snapp, Gunning, Stevison, Ragland,  
 H & R Buckingham, Robinson, Gibson, Boyd and A. J.  
 Buckingham Tracts, Showing Proven, Probable and  
 Possible Ore and Concentrate Tonnages

Snapp Lease #971			Grade			Tons Recoverable Conc.	
Area No.	Level	Depth	Rock Tons	Zns	Pbs	Zns	Pbs
1.	734-724	256	86800	2.75	0.10	2150	80
2.	772-752	224	96154	4.00	0.10	3460	90
3.	716-706	264	239900	2.75	0.10	5940	215
4.	810-800	170	18780	4.25	0.10	800	20
5.	752-742	228	37560	4.25	0.10	1600	40
PROBABLE ORE:							
6.	734-724	256	106154	2.75	0.10	2630	100
GUNNING LEASE #974							
PROBABLE ORE:							
1.	734-724	256	102461	2.75	0.10	2540	90
PROBABLE ORE:							
2.	724-714	256	30769	2.75	0.10	760	30
PROBABLE ORE:							
3.	716-706	264	150000	2.75	0.10	3710	135
4.	716-706	264	203485	2.75	0.10	5050	180
GUNNING LEASE #975							
POSSIBLE ORE:							
1.	800-712	264	150000	2.75	0.10	3710	135
RAGLAND LEASE #981							
PROBABLE ORE:							
1.	800-712	264	180060	2.75	0.10	4455	160
STEVISON LEASE #982							
POSSIBLE ORE:							
1.	800-712	264	115000	2.75	0.10	2850	100
H & R BUCKINGHAM LEASE #977							
PROBABLE ORE:							
1.	734-724	256	478154	2.75	0.10	11835	430
PROBABLE ORE:							
2.	734-724	256	142308	2.75	0.10	3520	130
A. J. BUCKINGHAM LEASE #977							
PROBABLE ORE:							
1.	800-712	264	2404775	3.00	0.10	64930	2160
GIBSON LEASE #1001							
PROBABLE ORE:							
1.	800-712	264	715846	2.45	0.10	15780	640
ROBINSON LEASE #1002							
PROBABLE ORE:							
1.	800-712	264	493500	2.45	0.10	10800	440
BOYD LEASE #1000							
PROBABLE ORE:							
1.	800-712	264	313923	3.00	0.10	8480	280
<b>RESERVE OF SNAPP-GUNNING ORE RESERVES</b>							
			Recoverable Concentrate Tons	Rock Tons	Recoverable Concentrate Tons	Rock Tons	Recoverable Concentrate Tons
<b>Location</b>	<b>Area No.</b>	<b>Rock Tons</b>	<b>PROBABLE</b>	<b>POSSIBLE</b>	<b>POSSIBLE</b>	<b>POSSIBLE</b>	<b>POSSIBLE</b>
571 Snapp	1.	86800	2230				
571 Snapp	2.	96154	3550				
571 Snapp	3.	239900	6155				
571 Snapp	4.	18780	820				
571 Snapp	5.	37560	1640				
571 Snapp	6.			106154	2730		
974 Gunning	1.	102461	2630				
974 Gunning	2.			30769	790		
974 Gunning	3.					150000	3845
974 Gunning	4.					203885	5230
975 Gunning	1.					150000	3845
981 Ragland	1.					180000	4615
982 Stevison	1.					150000	2950
976 Buchanan	1.			478154	12265		
976 Buchanan	2.					142308	3650
977 Buchanan	1.			2404775	67090		
1001 Gibson	1.			715846	16420		
1002 Robinson	1.					493500	11240
1000 Boyd	1.					313923	8760

**RESULTS OF SNAPP-CRANFORD ORE RESERVES**

Location	Area No.	Rock Tons	Recoverable Concentrate Tons		Rock Tons	Recoverable Concentrate Tons	
			PROVEN	PROBABLE		PROVEN	PROBABLE
971 Snapp	1.	86800	2200				
971 Snapp	2.	96154	3550				
971 Snapp	3.	239900	6135				
971 Snapp	4.	18780	820				
971 Snapp	5.	37560	1640				
971 Snapp	6.			106154	2730		
974 Gunning	1.	102461	2630				
974 Gunning	2.			30769	790		
974 Gunning	3.					150000	3845
974 Gunning	4.					200885	5230
975 Gunning	1.					150000	3845
981 Ragland	1.					180000	4615
982 Stevison	1.					115000	2950
976 Buc'ham	1.			478154	12265		
976 Buc'ham	2.					142308	3650
977 Buc'ham	1.			2404775	67090		
1001 Gibson	1.			715846	16420		
1002 Robinson	1.					493500	11240
1000 Boyd	1.					313923	8760
<b>Total</b>		<b>581655</b>	<b>17025</b>	<b>3735696</b>	<b>99295</b>	<b>1748616</b>	<b>44135</b>



**ORE RESERVES OF SNAPP AREA KANSAS EXPLORATIONS INC.**



SNAPP            UNIT  
1942

The Snapp Unit was operated continuously throughout the year 1942. During the operating period the mine operated two 8-hour shifts per day and the concentrating plant operated 24 hours per day. The ore furnished the Snapp Mill was hoisted from two shafts on the Snapp Tract, and mining on this tract was continued past the South and West property lines of the Snapp Tract onto the Gunning Tract. The ore from the Gunning Tract was milled with the Snapp ore and a division of the concentrates was made on a basis of ore tonnage milled, as the grade of the ore mined on each tract was of a uniform character.

At the Snapp Unit during the year 1942 a total rock tonnage of 170,956 tons was hoisted and 170,732 tons of mine rock were treated in the concentrating plant. The rock tonnage hoisted included 130,871 tons from the Snapp Lease and 40,085 tons from the Gunning Lease. The mine rock treated in the concentrating plant included 130,647 tons from the Snapp Lease and 40,085 tons from the Gunning Lease.

From the total tonnage treated, 6,525.720 tons of zinc concentrates and 259.210 tons of lead concentrates were recovered. This production included 5,019.815 tons of zinc concentrates and 217.176 tons of lead concentrates from the Snapp Lease and 1,505.905 tons of zinc concentrates and 42.034 tons of lead concentrates from the Gunning Lease. The entire rock

tonnage treated during 1942 yielded a recovery of 3.82% in zinc concentrates and .15% in lead concentrates or a total zinc and lead concentrate recovery of 3.97%.

Beginning February 1, 1942 the Snapp property operated under the Over-Quota Production Premium Plan established by the War Production Board, at which time a premium of \$28.05 was paid for 60% zinc sulphide concentrates produced in excess of 714 tons per month and a premium of \$39.60 for all 80% lead concentrates produced, with an adjustment of five cents (5¢) for each change of one tenth of one per cent (.1%) in grade above or below 60% in grade, as to zinc sulphide concentrates, and above or below 80%, as to lead concentrates.

May 1, 1942 the quota was revised to where a premium would be paid on all 60% zinc sulphide concentrates produced in excess of 312 tons per month and a zero quota being maintained on all production of 80% lead concentrates. All deficits on both zinc and lead concentrates were cancelled as of May 1, 1942.

On September 1, 1942 quotas were again revised as follows:- premium price was paid on all 60% zinc sulphide concentrates in excess of 200 tons per month and on all 80% lead concentrates produced.

Later another quota revision was made retroactive to October 1, 1942 on both 60% zinc sulphide concentrates and 80% lead concentrates, the production being placed on a zero quota and so remained for the balance of the year.

On December 1, 1942 the premium price for Over-Quota production of 60% zinc sulphide concentrates was increased from \$28.05 per ton to \$29.70 per ton, and the premium price of 80% lead concentrates was increased from \$39.60 per ton to \$41.80 per ton.

During the operating period 28,545 man shifts were employed, each man shift averaging a production of 6.0 rock tons, or the equivalent of .24 tons of zinc and lead concentrates. The average operating cost was \$2.21 for each ton of rock, or \$55.77 for each ton of zinc concentrates recovered. In addition to the above cost, there was expended for churn drilling other than on the Snapp tract and Gunning tract, but in the Snapp area, the sum of \$29,665.93, which was charged to operations for the year 1942. This was equal to a cost of .17 cents for each ton of rock mined, or \$4.37 for each ton of zinc and lead concentrates recovered.

On December 31st, 1941, the Snapp Unit had no concentrates in bins. On December 31st, 1942, the Snapp Unit had no concentrates in bins. During the year 1942, 6,525.720 tons of zinc concentrates and 259.210 tons of lead concentrates were sold and shipped. An average gross price per ton (2000 pounds) of \$55.28 for zinc concentrates and \$66.66 for lead concentrates was obtained, or an average of \$55.72 per ton. Premiums received for Over-Quota Production for the year 1942 averaged \$11.70 per ton of zinc concentrates and \$25.94 per ton of

lead concentrates or an average of \$12.24 per ton. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$67.96.

The average royalty paid on zinc and lead concentrates sold from the Gunning Lease during the year 1942 was \$6.21 per ton, and, as no royalty is paid on production from the Snapp Lease, the average royalty paid per ton of zinc and lead concentrates produced from the total Snapp Unit was \$1.42 per ton.

During the year 1942, \$24,348.07 was spent for development and churndrilling on the Snapp and Gunning Leases, for 9,943 feet of churn drilling and 200 feet of underground development work, this being an expenditure of \$ .14 for each ton of rock mined and \$3.49 for each ton of concentrates produced. On other leases in the Snapp area \$20,661.43 was spent for 9,456 feet of exploration drilling. At the beginning of the year, the proven and probable ore reserve in the Snapp area was 82,200 tons of zinc and lead concentrates. As a result of drilling completed in 1942 the proven and probable recoverable concentrates on the Snapp, Gunning, Stevison, Ragland and Rebecca Buckingham No. 976, tracts in the Snapp Area were reduced to 32,790 tons as of December 31, 1942. During the year 6,784.930 tons of zinc and lead concentrates was produced.

In the A. J. Buckingham Area the tons of probable recoverable concentrates on the A. J. Buckingham, Boyd, Gibson and Robinson leases were 83,510 tons as of December 31, 1942.

During the year 1942, at the Snapp Unit, the operating expenditure for labor and liability insurance was \$234,525.44; for all items other than labor and liability insurance was \$143,883.55, or a total of \$378,408.99. The total operating mine profit for the year 1942 was \$75,159.17. Exploration expense in the area surrounding the Snapp Lease, amounting to \$20,661.43 and, \$9,004.50 expended for exploration drilling in the A. J. Buckingham area, making a total of \$29,665.93 was charged to operations, and, when deducted from the mine profit of \$75,159.17, left a net operating profit of \$45,493.24. Miscellaneous other income for the year 1942 was \$928.94.

SNAPP            UNIT

1 9 4 2

RECOMMENDATIONS FOR 1943

It is recommended that development work by drilling and drifting be done and most of it be confined to areas close to mine workings -- provided Quota adjustments can be secured which will justify the above development program.

BUCKINGHAM (A. J.) LEASE

Located in Jasper County, Missouri--contains 140 acres,  
and is about 3 miles Southeast of the Snapp Tract.

## SNAPP UNIT

## BUCKINGHAM AREA

1942

During the year 6,003 feet of development drilling was completed in the buckingham area at a cost of \$9,004.50. The drilling completed in 1942 together with former drilling in this area increased the probable ore reserves to 83,510 tons of recoverable concentrates.

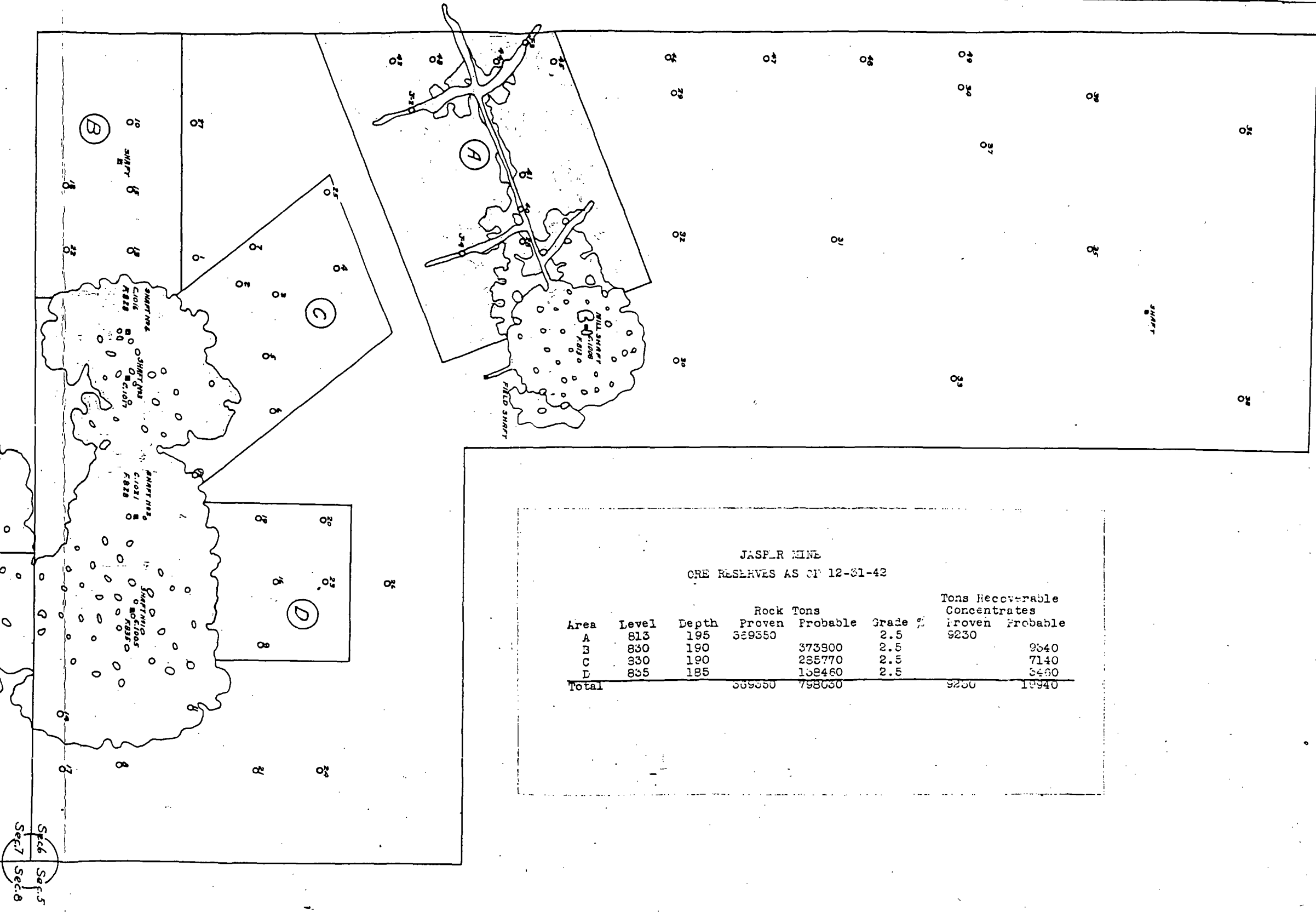
During the summer months it was decided that sufficient development drilling had been done to warrant the sinking of a shaft on the Buckingham Tract at a location that was best to mine ore that we had developed on the Buckingham, Gibson, Boyd and Robinson Tracts. A large churn drill hole was drilled to permit the installation of a Peerless deep well pump near the location of the shaft. Considerable delay was had waiting for the Empire District Electric Co. to construct and install power connections to enable us to start pumping operations. About October 1st these power connections were completed and we began the installation of our pumps and shaft sinking operations were started, the shaft being completed to about a depth of 160 feet by December 31, 1942.



Judging from the development drilling done in this area, we believe that, with a Zero Quota, which has been granted to the tracts above mentioned, we will be able to mine this ore at a profit. It is now thought advisable to mill the ore from this area over the Snapp Mill believing that the grade of ore we will be able to mine will be better than that now being treated from the ore being mined at the Snapp Tract. Judging from the trucking cost prevalent in the Picher district of \$ .03 per ton mile, this ore can be delivered to the Snapp Tract for approximately \$ .10 per ton. We believe the trucking of this ore can be contracted to trucking firms now operating in the Picher area.

JASPER MINE  
ORE RESERVES AS OF 12-31-43

Area	Level	Depth	Rock Tons		Grade %	Tons Recoverable Concentrates	
			Proven	Probable		Proven	Probable
A	813	195	329350		2.5	9230	
B	830	190		373900	2.5		9340
C	830	190		235770	2.5		7140
D	835	185		158460	2.5		5430
Total			329350	798030		9230	18940



JASPER MINE  
ORE RESERVES 1-1-1943  
KANSAS EXPLORATIONS INC.  
Scale 200 Ft to 1 Inch

## JASPER UNIT

The Jasper Tract is located in Jasper County, Missouri about 2 miles West of Joplin, Missouri--Contains about 270 acres.

## JASPER UNIT

1 9 4 2

During the early part of 1942 the Kansas Explorations, Inc. acquired the Jasper property, located two miles West of Joplin, Jasper County, Missouri, consisting of 270 acres of land, from the Callahan Zinc-Lead Co., Inc. An operating agreement was arranged for the erection and operation of a plant having a daily capacity of 1,000 rock tons. The Kansas Explorations, Inc. agreed to move all the buildings and the entire mine and mill equipment, then located at the Jarrett tract, near Picher, Oklahoma, to the Jasper tract, adding whatever additional equipment would be needed for the plant to have a capacity of 1,000 rock tons per day. Arrangements were made during the early part of 1942 for the dismantling and moving of the Jarrett plant to the Jasper tract. The moving was completed by July 1942.

Additional pumping equipment was required and installed in two of the shafts on the Jasper tract for the unwatering of the old mine workings. The unwatering of the mine was completed about the end of July. The construction work on the buildings, installation of mill equipment was completed and the plant ready for operation about 100 days after construction work was started. Considerable delay was caused by the failure of the Empire District Electric Co. to install necessary transformer equipment which would permit the beginning

of operations. Operations were not started until September 17th. Considerable delay was experienced in the construction work, on account of the shortage of labor which was being taken out of the district to work on several Government projects in this area. During the construction period it was a very difficult matter to obtain additional material and equipment needed to increase the capacity of the plant to the 1,000 ton per day figure that we felt would be absolutely necessary to have in order to have a profitable operation on the low grade ores in this mine.

The Jasper ore is a low grade deposit and from development work done prior to operations indicated that the mill recovery would average about two-thirds lead and one-third zinc. The concentrate production in 1942 shows that 53.4 per cent of the total was lead concentrates and 46.6 per cent of the total was zinc concentrates. The tons of ore mined was gradually increased from the starting of operations until the mine was handling approximately 1,000 tons per 24-hours, by the end of 1942. On account of shortage of labor, especially shovelers, several mine car loaders were installed and plans are being made to install two of the large drag units mounted on Caterpillar Tractors which we hope to have in operation in the early months of 1943. It now appears that it will be necessary for us to resort to mechanical loading as far as possible as it seems that it will be a very difficult matter to obtain hand loaders for the work in the Jasper Mine.

To obtain the 1,000 tons of ore per day needed for the mill it was necessary to install two electric hoists which would operate on the double compartment shaft at the mill. This arrangement seems to be working very satisfactorily so far. In order to obtain the maximum efficiency from mining operations in headings only 8 feet in height, it became necessary for us to purchase entire new drilling equipment.

All operations have been carried on under a Zero Quota for all concentrates produced under the Price Premium Plan of the War Production Board which amounted to \$29.70 per ton of 60% zinc sulphide concentrates and \$41.80 for a ton of 80% lead concentrates, with an adjustment of five cents (5¢) for each change of one tenth of one per cent (.1%) in grade above or below 60% in grade, as to zinc sulphide concentrates, and above or below 80%, as to lead concentrates. In the acquiring of the title of this land there was included a 1% royalty which had to be paid on the sale of concentrates produced from about one half of the acreage. This 1% royalty has been paid on all production made during 1942.

A total rock tonnage of 59,260 tons of mine rock was hoisted and 58,991 tons of mine rock was treated in the concentrating plant during the year.

From the tonnage treated, 677.465 tons of zinc concentrates and 781.805 tons of lead concentrates were recovered. The entire rock tonnage treated during 1942 yielded a recovery of 1.32% in lead concentrates 1.15% in zinc concentrates or a

total zinc and lead concentrate recovery of 2.47%.

During the operating period 11811 man shifts were employed, each man shift averaging a production of 5.0 rock tons, or the equivalent of .12 tons of zinc and lead concentrates. The average operating cost was \$2.81 for each ton of rock mined or \$114.03 for each ton zinc and lead concentrates recovered; this cost being unusually high because of the purchase of four mechanical mine car loaders which cost \$9200.00, and the starting of mining operations, including the installation of tracks and equipment in the mine.

On December 31, 1942 the Jasper unit had no concentrates in bins. During the year 677.465 tons of zinc concentrates and 781.805 tons of lead concentrates were sold and shipped. An average gross amount including Premiums for Over-Quota Production of \$81.55 per ton (2000 pounds) for zinc concentrates and \$121.33 for lead concentrates was obtained, or an average of \$102.85 per ton of zinc and lead concentrates. The average royalty paid on zinc and lead concentrates sold and shipped was \$ .68 per ton. No royalty was paid on premium received for Over-Quota Production of zinc and lead concentrates.

During the operating period \$1668.22 was spent for operating development. This was an expenditure of \$ .03 for each ton of rock mined and \$1.14 for each ton of concentrates recovered. At the beginning of the year the probable ore reserve was 14493 tons of zinc and 5906 tons of lead concentrates. At

the close of the year the proven ore reserve was 9,230 tons of zinc and lead concentrates and the probable ore reserve was 19,940 tons of zinc and lead concentrates. During the year, 1,459.270 tons of zinc and lead concentrates were produced.

During 1942 at the Jasper unit the operating expenditure for labor and liability insurance was \$100,984.78; for all items other than labor was \$65,415.75; or a total of \$166,400.53.

The total operating mine loss for the year 1942 at the Jasper unit was \$17,305.69 based on actual sales of concentrates sold and shipped during the year. Miscellaneous other income for the year 1942 was \$435.05. In addition to this income the sum of \$500.00 was received from the sale of tailings produced from the milling of the Jasper ore.



## J A S P E R

### Old Tailings and Slimes on Southeast 30 Acre Tract

There appears to be a few thousand tons of old tailings and slimes remaining on the Southeast 30 acres of this tract, which were produced by former operations.

We have given a lease on these tailings and slimes to the Missouri Mining Company who operate a mill located about 3 miles from this tract, their mill is designed for and devoted entirely to the retreatment of tailings.

It was thought advisable to let the Missouri Mining treat these tailings and slimes under a 10% lease, as it is necessary to treat these tailings over a plant designed for the treatment of tailings only to obtain a good extraction of the zinc and lead contained in them. As the Jasper Mill was designed to treat mine ore only, we made the above arrangement with the Missouri Mining Company. They advise that they will start the retreatment of these tailings during the spring of 1943.

## JASPER UNIT

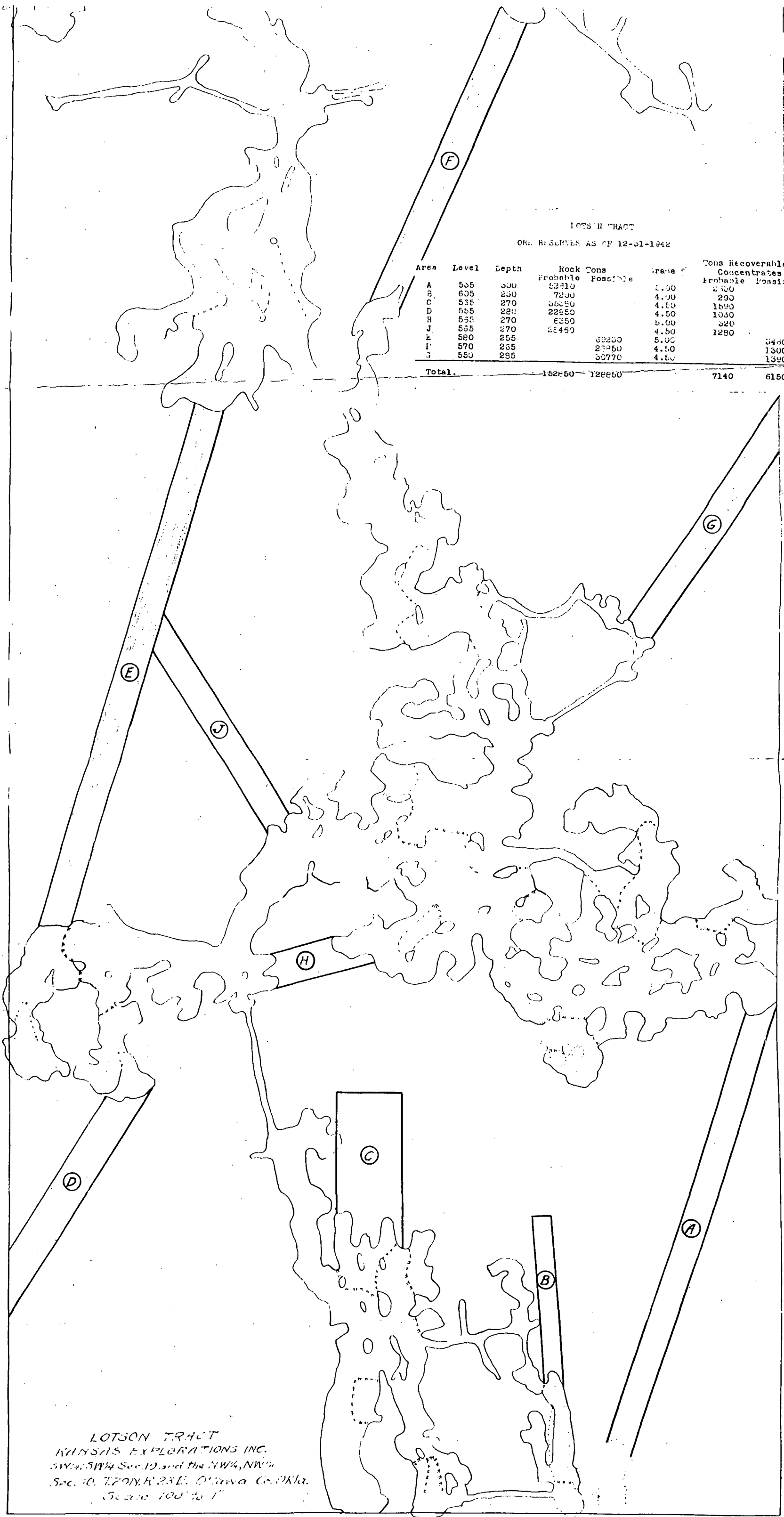
1 9 4 2

## RECOMMENDATIONS FOR 1943

It is recommended that provision be made for additional hoisting capacity - to increase the mine and mill tonnage to about 1500 tons per 24-hours.

# LOTSON LEASE

Located in Ottawa County, Oklahoma--contains 80 acres and is to be operated under a  $12\frac{1}{2}\%$  royalty lease from the Indian Department. This tract joins the Ritz Lease on the West.



LOTSON TRACT  
ORE RESERVES AS OF 12-31-1942

Area	Level	Depth	Rock Tons		Grade %	Tons Recoverable Concentrates	
			Probable	Possible		Probable	Possible
A	535	300	52310		5.00	2350	
B	605	250	7230		4.00	290	
C	535	270	55350		4.50	1590	
D	535	280	22550		4.50	1040	
H	535	270	6350		5.00	320	
J	535	270	55450		4.50	1280	
E	580	255		33250	5.00		3450
I	570	255		23250	4.50		1300
G	550	285		50770	4.50		1390
Total.			152550	128550		7140	6150

LOTSON TRACT  
KANSAS EXPLORATIONS INC.  
SW 1/4, SW 1/4 Sec. 19 and the NW 1/4, NW 1/4  
Sec. 10, T20N, R23E, Q44wa Co. Okla.  
Scale 100' to 1"

## Miscellaneous Income

1 9 4 2

Income for the year 1942, other than from Concentrate Sales consisted of the following:

Discount on Purchases - Ritz	\$ 841.56
Discount on Purchases - Snapp	523.97
Discount on Purchases - Gunning	185.06
Discount on Purchases - Jasper	1407.76
Miscellaneous Other Income	332.91
Miscellaneous Other Income - Jarrett	365.70
Miscellaneous Other Income - Ritz	663.14
Miscellaneous Other Income - Snapp	40.96
Miscellaneous Other Income - Gunning	20.99
Miscellaneous Other Income - Jasper	1.00
Miscellaneous Other Income - Buckingham	1.00
Income from Sales of Tailings - Jasper	500.00
Profit, on Supplies used from Sheepbranch Warehouse, in Production	<u>757.50</u>

Total Other Income

\$ 5641.55

## LOTSON UNIT

1 9 4 2

A lease was acquired on this 80 acre tract in the early part of 1942.

There have been no operations on this tract for about two years, and as we have secured a Zero Quota on the production of all zinc and lead concentrates, we believe it can be made to produce a fair tonnage of concentrates, but it may develop that it may be necessary to secure additional Quota Adjustment if the grade of ore mined does not come up to our expectations. This 80 acre tract joins the Ritz Lease on the West, and is favorably located. Tracks for haulage purposes and air and water lines have been installed. Considerable delay in the beginning of operations has been caused by inability to secure hoisting cans; we are promised delivery within the next few weeks, and as soon as they are received we will begin to get this mine into operation.

## DARDENNE UNIT

1 9 4 2

The Beck Mining and Royalty Company, who has a sub-lease on this 40 acre tract, did not operate the property during the year 1942.

As the cost of holding the lease is less than \$50.00 per year, it is thought advisable to retain it at least for the present.

EMPLOYER'S LIABILITY



EMPLOYER'S            LIABILITY  
1 9 4 2

During the year 1942, the Kansas Explorations, Inc. carried their own liability insurance. A total of 85 lost time accidents occurred during the year, making a total of 2,519 shifts lost, averaging 29.6 shifts lost per accident, and 30 shifts lost per 1,000 man shifts worked. There was \$47,906.97 credited to the Reserve account during the year. The cost of all 1942 accidents was \$14,873.94 plus \$5,000.00 estimated liability on 1942 cases unsettled as at December 31st, 1942, leaving the amount of \$28,033.03 to be added to Liability Insurance reserve at the close of the year. The estimated liability of unsettled cases which occurred prior to 1942 is \$7,800.00. The Reserve account for December 31st, 1942, showed a credit balance of \$81,116.90.

LEGAL

## LAW SUITS

1 9 4 2

During the year 1942, suit was filed by Henry A. Casey, a former employee, asking for \$10,000.00 damages because of alleged injury to his health while employed by the Kansas Explorations, Inc.

The company transferred the case from District Court to Federal Court whereupon the plaintiff agreed to a settlement for \$750.00, and the case was settled outside the courts.

GENERAL

## GENERAL EXPENDITURES

1942

	Amount	% Total
Lease Rentals	\$ 2783.00	.191
Capital Expenditure (Buckingham)	16437.98	1.130
Capital Expenditure (Jasper)	301686.58	20.746
Capital Expenditure (Lotson)	6000.00	.412
Deferred Mining & Milling Costs (Lotson)	19143.30	1.317
Total Lease Expense	<u>\$346050.86</u>	<u>23.796</u>
 Mining & Milling Costs	 1015666.72	 69.842
Royalties	89793.79	6.175
Miscellaneous	2721.95	.187
Total	<u>\$1454233.32</u>	<u>100.000</u>

## Current Assets and Current Liabilities

December 31, 1942

At the close of the year 1942, Accounts Receivable were as follows:

Customers Accounts Receivable:		
American Zinc, Lead and Smelting Co.	\$ 45158.81	
Metals Reserve Co.	<u>124130.67</u>	
Total		\$169289.48
Other Accounts Receivable:		
Supt. Quapaw Indian Agency	\$ 43.23	
Henry Hoffman	<u>.36</u>	
Total		\$ 43.59
Total Accounts Receivable		<u>\$169333.07</u>

At the close of the year 1942, Current Liabilities were as follows:

Vouchers Payable	\$ 42410.51	
Unpresented Treasury Drafts	1409.89	
Unpresented Salary Drafts	4179.62	
Unpresented Payroll Drafts	20364.86	
State Compensating Tax Payable	57.51	
Accrued Wages	10877.33	
Unclaimed Wages	157.22	
Accrued Unemployment Insurance Taxes	6059.00	
Accrued and Collected Old Age Benefit Taxes	4102.73	
Accrued Taxes	440.55	
Accrued Royalties	6247.71	
Due Employees	185.61	
Employees Hospital Service	<u>30.50</u>	
Total Current Liabilities		\$ 96462.04